

1 AN ACT in relation to public employee benefits.

2 Be it enacted by the People of the State of Illinois,  
3 represented in the General Assembly:

4 Section 5. The Illinois Pension Code is amended by  
5 adding Section 14-114.1 as follows:

6 (40 ILCS 5/14-114.1 new)

7 Sec. 14-114.1. Plan of optional additional benefits and  
8 contributions.

9 (a) While this plan is in effect, an employee may  
10 establish optional additional credit for additional benefits  
11 by electing in writing to make optional additional  
12 contributions either for future service under subsection (b)  
13 or for previous service under subsection (c). An employee  
14 may not elect to make additional contributions under both (b)  
15 and (c).

16 (b) The optional additional contribution for service  
17 after the option is elected shall be 3% of salary,  
18 contributed to the System on the same basis and under the  
19 same conditions as required contributions under Sections  
20 14-133 and 14-133.1. The employee may discontinue making the  
21 optional additional contributions under this subsection (b)  
22 at any time by so notifying the System in writing.

23 (c) The optional additional contribution for a period of  
24 service before the option is elected shall be 4% of salary,  
25 to be paid by the employee directly to the System. The  
26 maximum period for which optional additional contributions  
27 may be made under this subsection (c) is 4 years. The  
28 optional additional contribution must be paid in full before  
29 the additional benefit is given.

30 (d) For each year of service for which optional  
31 additional contributions have been paid, the retirement

1 annuity shall be increased at the time of retirement by 1% of  
2 the final average compensation upon which the retirement  
3 annuity is based; but the resulting annuity shall not exceed  
4 the established percentage maximum for annuities calculated  
5 under the applicable formula. The additional benefit shall  
6 be included in the calculation of the automatic annual  
7 increase in annuity and, where applicable, in the calculation  
8 of a widow's or survivor's annuity.

9 (e) Optional additional contributions under this plan  
10 may be made only with respect to periods of active  
11 participation as a contributing employee, and not with  
12 respect to periods of military, reciprocal, or other optional  
13 service credit. No optional additional contributions may be  
14 made under subsection (c) for any period of service for which  
15 credit has been previously forfeited by acceptance of a  
16 refund, unless the refund is repaid in full with interest at  
17 the effective rate from the date of the refund to the date of  
18 repayment.

19 (f) An employee who elects to make optional additional  
20 contributions under subsection (c) must withdraw from service  
21 by the later of December 31, 2003 or a date 6 months after  
22 the commencement of the program under subsection (g). Such a  
23 person who returns to employment under this Article thereby  
24 forfeits the additional benefits established under subsection  
25 (c) and, if he or she has not yet begun to receive a  
26 retirement annuity, shall be entitled to a refund of the  
27 optional additional contributions, without interest.

28 Other refunds of optional additional contributions shall  
29 be made on the same basis and under the same conditions as  
30 refunds of other optional contributions under this Article.

31 (g) This plan of optional additional benefits and  
32 contributions becomes effective on July 1, 2003 or the date  
33 upon which approval is received from the U.S. Internal  
34 Revenue Service, whichever is later.

1       (h) This plan of optional additional benefits and  
2       contributions expires July 1, 2006. No additional  
3       contributions may be made after that date, and no additional  
4       benefits will accrue after that date.

5       Section 99. Effective date. This Act takes effect upon  
6       becoming law.